



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Rawlins Field Office  
1300 North Third Street  
P.O. Box 2407  
Rawlins, Wyoming 82301-2407

In Reply Refer To:

1790

June 26, 2002

Re: Cow Creek Pod Coalbed Methane  
Project

Dear Reader:

We are providing you a copy of the enclosed Decision Record for your information and use. This document identifies our decision regarding the Cow Creek Pod Project and explains the rationale for reaching the decision. Included with this document are the applicant-committed environmental practices and protection measures and additional mitigation requirements for the implementation of this project.

On February 15, 2002, we released the *Environmental Assessment for the Atlantic Rim Coalbed Methane Project, Cow Creek Pod*. The environmental assessment was prepared in order to satisfy the requirements of the National Environmental Policy Act, other regulations, and statutes to fully disclose the potential environmental impacts of the alternatives (Proposed Action and No Action) and to solicit public comment on them. The assessment also identified additional mitigation measures to further reduce potential impacts.

A copy of this decision has been sent to governmental entities, individuals, and organizations who commented on this project. We wish to thank individuals and organizations who provided input throughout this analysis.

If you have any questions regarding this decision or need additional information, please contact Brenda Vosika Neuman, Project Lead, at the address shown above or phone (307) 328-4389.

Sincerely,

Field Manager

Enclosure

**DECISION RECORD AND  
FINDING OF NO SIGNIFICANT IMPACT  
FOR THE  
ATLANTIC RIM COALBED METHANE PROJECT  
COW CREEK POD ENVIRONMENTAL ASSESSMENT**

**INTRODUCTION**

Double Eagle Petroleum and Mining Company (Double Eagle) of Casper, Wyoming, has notified the Bureau of Land Management (BLM), Rawlins Field Office, that the company proposes to explore and potentially develop coalbed methane (CBM) wells in the Cow Creek Project Area (CCPA) of the Atlantic Rim Project Area (ARPA) of southcentral Wyoming. The Cow Creek proposal is part of exploration drilling activities under consideration for the acquisition of data necessary to prepare the full-field Environmental Impact Statement (EIS) within the ARPA.

Because of the length of time necessary to complete the EIS, the operators asked the BLM to consider allowing some exploration drilling within the ARPA. On June 1, 2001, an Interim Drilling Policy (IDP) was sent to all operators participating in the proposal to develop CBM resources in the ARPA. The IDP was prepared by the Rawlins Field Office EIS Interdisciplinary Team, with recommendations from the BLM's Reservoir Management Group. The IDP was developed as a way to manage interim activities concurrently with EIS preparation. Prior to the development of any exploration activity, the IDP states that an environmental assessment will be prepared for all pods developed on federal acreage. Interim drilling activities will be monitored by the BLM to ensure that such activities do not significantly affect the environment, or prejudice decisions to be made as a result of the analysis to be conducted in the ARPA EIS.

This interim development project consists of drilling, completing, and producing a total of 14 exploratory CBM wells, 2 injection wells, access roads, a compressor station, and other related production and water disposal facilities in the project area. Four of these wells were previously analyzed in an environmental assessment (EA) completed by the Rawlins Field Office staff on December 14, 2000, and two existing oil and gas wells were approved for recompletion as CBM wells in 1997 and 1999 respectively. The Proposed Action of this EA consists of drilling, completing, and operating eight new productive CBM wells and related production and water disposal facilities. Initial operations are proposed to begin in spring/summer 2002. The total life of the project (LOP) is estimated at 10 to 15 years.

The CCPA is located in Township 16 North, Ranges 91-92 West, Carbon County, Wyoming. Access to the CCPA is provided by the two-lane paved Wyoming State Highway 789 (SH 789) north from Baggs, Wyoming, for approximately 22 miles to the intersection of Carbon County Road 608. The distance from SH 789 to the CCPA is approximately three miles. The CCPA encompasses approximately 2,050 acres, all of which are federal surface and federal mineral.

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## **ALTERNATIVES CONSIDERED**

The *Environmental Assessment (EA) for the Atlantic Rim CBM Project, Cow Creek Pod*, analyzed two alternatives. Under the Proposed Action, eight wells would be drilled on federal lands administered by the BLM. The proposed CBM development is based on a Wyoming Oil and Gas Conservation Commission (WOGCC) approved 40-acre well spacing pattern. In addition to well sites, other facilities, such as access roads, gas gathering and water disposal pipelines, electrical utilities, and compressors, would be developed to facilitate natural gas (methane) production in the well fields. The interim project would develop over a 6 to 12 month period. The productive life of the project is estimated between 10 and 15 years.

Under the No Action Alternative, The BLM analyzed the impacts associated with the existing Little Snake River Conservation District (LSRCD) reservoir, two recompleted oil and gas wells, the four recently approved CBM wells, and an existing compressor station. This alternative provides a benchmark, enabling the decision-maker to compare the magnitude of environmental effects of the alternatives.

No other alternatives were considered because, in order to prevent significant impacts to the environment, the IDP limits the placement of CBM exploratory activities to areas where sensitive resources do not exist. Exploration activity was centered where the best geologic and hydrologic information could be obtained outside of these sensitive resource areas.

## **DECISION**

Based upon the analysis of the potential environmental impacts described in the *Environmental Assessment (EA) for the Atlantic Rim Coalbed Methane Project, Cow Creek Pod*, and in consideration of the public, industry, and governmental agency comments received during the environmental analysis process, the BLM approves the Proposed Action as described in Chapter 2 of the EA and associated errata (see Appendix A) for the drilling and construction of eight CBM wells and associated facilities within the CCPA. The decision incorporates the Project-Wide Mitigation Measures and Procedures identified in Appendix C, as modified, and the Conditions of Approval described in Appendices D and E.

## **APPROVED PROJECT COMPONENTS**

The decision authorizes the initiation of permit approvals for the following project components on BLM-administered federal lands and/or minerals within the project area, subject to the requirements identified in Appendices C, D and E.

- Development of 8 CBM wells located on federal lands within the project area with an initial total disturbance of 6.6 acres and a life-of-project disturbance of less than 0.04 acres.
- Construction of new access roads and facilities associated with CBM development including gas gathering pipelines, water discharge lines, and power lines that will be buried parallel to road rights-of-way. Estimated initial disturbance is 11.0 acres with a LOP disturbance of 5.52 acres.
- Construction of a new off-channel reservoir with an initial disturbance of 2.6 acres and a LOP disturbance of 2.6 acres.

**APPROVAL OF THE PROPOSED ACTION IS CONDITIONAL UPON THE FOLLOWING:**

- Implementation of the applicant-committed environmental practices and protection measures as described in Appendix C.
- Adherence to the Conditions of Approval described in Appendices D and E.
- Adherence to oil and gas lease and right-of-way grant stipulations.

**RATIONALE FOR THE DECISION**

The decision to approve the operator's proposed development was based on the following factors: 1) consistency with the land use and resource management plans; 2) national policy; 3) agency statutory requirements; 4) relevant resource and economic considerations; 5) application of measures to avoid or minimize environmental harm; 6) finding of no significant impact; and 7) public comments.

**1. Consistency with Land Use and Resource Management Plans**

The Proposed Action is in conformance with the overall planning direction for the area. The objective for oil and gas management decisions described in the Great Divide Resource Management Plan, 1990, is to "provide opportunity for leasing, exploration, and development of oil and gas while protecting other resource values." The project also meets the objectives of the Lands Program which is to "support the goals and objectives of other resource programs for managing the BLM-administered public lands and respond to public demand for land use authorizations."

**2. National Policy**

Private exploration and development of federal oil and gas leases is an integral part of the BLM oil and gas leasing program under the authority of the *Mineral Leasing Act of 1920* and the *Federal Land Policy and Management Act of 1976*. The United States continues to rely heavily on foreign energy sources. Oil and gas leasing is needed to encourage development of domestic oil and gas reserves to reduce the United States' dependence on foreign energy supplies. Therefore, the decision is consistent with national policy.

**3. Agency Statutory Requirements**

The decision is consistent with all federal, state, and county authorizing actions required to implement the Proposed Action. All pertinent statutory requirements applicable to this proposal were considered, including informal consultation and formal conferencing with the U.S. Fish and Wildlife Service (USFWS).

**4. Relevant Resource and Economic Considerations**

Environmental impacts from the pilot project to resources identified in the EA are minor and all deemed acceptable. The economic benefit is important due to the tax revenues generated from the development of natural gas.

**5. Application of Measures to Avoid or Minimize Environmental Harm**

Federal environmental protection laws such as the *Clean Air Act*, the *Clean Water Act*, and the *Historic Preservation Act* apply to all lands and are included as part of the standard oil and gas lease terms. The adoption of the mitigation and monitoring measures identified in Chapters 2.0 of the project EA and contained in this Decision Record in Appendix C, and the Conditions of Approval found in Appendices D and E, represent practicable means to avoid or minimize environmental impacts.

**6. Finding of No Significant Impact**

Based upon the review of the EA, the BLM has determined that the Proposed Action, with implementation of the protective measures identified in Appendices C, D and E, herein, would not cause a significant impact to the quality of the human, natural and physical environment. Therefore, an environmental impact statement is not necessary.

**7. Public Comments**

Thirteen comment letters were received on the EA during the 30-day comment period that ended March 25, 2002. The following is a list of those responding to the request for public comment.

Office of Federal Land Policy  
Wyoming State Engineer's Office  
Wyoming Game and Fish Department  
Oregon-California Trails Association  
Petroleum Association of Wyoming  
United States Fish and Wildlife Service  
Forest Service  
National Wildlife Federation  
Biodiversity Associates  
Tom Crull  
Inter-Mountain Pipe Company  
Harold Kemp  
Double Eagle

The substantive comments are summarized and BLM's responses are found in Appendix B.

**APPEAL**

This decision is subject to appeal. Under BLM regulation, this decision is subject to administrative review in accordance with 43 CFR 3165. Any request for administrative review of this decision must include information required under 43 CFR 3165.3(b)(State Director Review), including all supporting documentation. Such a request must be filed in writing with the State Director, Bureau of Land Management, P.O. Box 1828, Cheyenne, WY, 82003 within 20 business days of the date this Decision Record is received or considered to have been received.

  
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Field Manager

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June 26, 2002  
Date